

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF HARRISON COUNTY) CASE NO. 8603
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1,)
1980, TO OCTOBER 31, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 7, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Harrison County Rural Electric Cooperative Corporation ("Harrison County") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Harrison County filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Harrison County's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that

Harrison County also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Harrison County in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Harrison County has complied in all material respects with the provisions of 807 KAR 5:056.

2. Harrison County's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Harrison County should be authorized to increase the rates charged its customers by 3.38 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Harrison County should be revised.

IT IS THEREFORE ORDERED that the charges collected by Harrison County through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Harrison County be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Harrison County on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Harrison County shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Harrison County for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8603 DATED JUNE 3, 1983

The following rates and charges are prescribed for the customers in the area served by Harrison County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A - RATE 1
FARM AND HOME SERVICE*

Rates:

Consumer Charge	\$6.00	Per Month
All KWH used	.06692	Per KWH

RATE 2
COMMERCIAL AND SMALL POWER SERVICE (0 - 50 KW DEMAND)*

Rates:

Consumer Charge	\$11.00	Per
All KWH Used	.06164	Per KWH
All KW Demand Used	\$5.36	Per KW

RATE 8
LARGE POWER SERVICE (50 to 500 KW DEMAND)*

Rates:

Consumer Charge	\$27.50	Per Month
All KWH Used	.05204	Per KWH
All KW Demand Used	\$5.36	Per KW

LPR-1, RATE 8
LARGE POWER SERVICE OVER 500 KW DEMAND*

Rates:

Consumer Charge	\$38.50	Per Month
All KWH Used	.04664	Per KWH
All KW Demand Used	\$ 5.36	Per KW

SECURITY LIGHTS*
OUTDOOR LIGHTING SERVICE*

Rate Per Fixture:

<u>Type of Fixture</u>	<u>Lamp Size</u>	<u>Monthly Charge</u>
Mercury Vapor	175 Watts (73 KWH/lamp)	\$5.97 Per Month
Mercury Vapor	400 Watts (154 KWH/lamp)	\$9.63 Per Month

*Fuel Adjustment Clause:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

Appendix B
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COMPANY: _____

POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____

Purchased Power -

Month of: _____

1. Total Purchases _____
2. Sales (Ultimate Consumer) _____
3. Company Use _____
4. Total Sales (L2 + L3) _____
5. Line Loss & Unaccounted for (L1 less L4) _____

13. Fuel Adjustment Charge (Credit):
 - A. Billed by supplier _____
 - B. (Over) Under Recovery (L12) _____
 - C. Unrecoverable - Schedule 2 _____
 - D. Recoverable Fuel Cost (L13 A+B-C) _____
14. Number of KWH Purchased _____
15. Supplier's FAC: \$ per KWH (L13A + L4) _____

(Over) or Under Recovery - Month of: _____

Line Loss

6. Last FAC Rate Billed Consumers _____
7. Gross KWH Billed at the Rate on L6 _____
8. Adjustments to Billing (KWH) Net KWH Billed at the Rate on L6 (L7 + L8) _____
9. Fuel Charge (Credit) Used to Compute L6 _____
10. FAC Revenue (Refund) Resulting from L6 (net of billing adj.) _____
11. Total (Over) or Under Recovery (L10 less L11) _____

16. Last 12 Months Actual (%) - _____
17. Last Month Used to Compute L16 _____
18. Line Loss for Month on L17 (%) (L5 + L1) _____
19. Calculation of FAC Billed Consumers Sales as a Percent of Purchases (100% less percentage on L16) _____
20. Recovery Rate \$ per KWH (L13D + L14) _____
21. FAC \$ per KWH (L20 + L19) _____
22. FAC \$ per KWH (L21 x 100) _____

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after _____, 19____.

Issued by: _____
Address: _____

Title: _____
Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -	_____	_____	_____	_____

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's
(FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) _____
2. Less Line Loss (10% x L1) _____
3. Sales (L1 less L2) _____
4. Unrecoverable Fuel Charge Per KWH:
 - a. FAC Rate based on Actual Line Loss
(Current Month's Report L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.